

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, July 16, 2019
3:00 p.m.
Minutes

DIRECTORS PRESENT: Tim Eldridge, Frank Griffith, Gerrie Kilburn, Bill Opel

DIRECTORS ABSENT: Gordon Johnson

STAFF PRESENT: General Manager Melvin Matthews, Sr. Facilities Operator Chris Burt,
Office Manager/Board Secretary Bernadette Allen

1. CALL TO ORDER: Secretary Tim Eldridge called the meeting to order at 3:00 p.m. A quorum of Board Members was present. The Agenda was reviewed and no changes were requested.

2. PUBLIC COMMENT: District resident Linda Szerdahelyi was present. No public comments.

3. REVIEW OF MINUTES: Director Griffith requested the following edits to the June 18, 2019, minutes: Item 4, edit to include the name following the title to read “Dr. Dave Moritz”; Item 5, edit the 6th sentence to end “...made more frequently and increased.”; Item 3, 5th sentence correct the word “page” to “pages”; Item 3, 3rd line from the bottom of the page, add the meaning of the acronym PEPRA, to read “PEPRA (Public Employees’ Pension Reform Act)”. It was motioned/seconded/carried unanimously-(Griffith/Kilburn-4/0).

“That the Board approve the minutes as corrected for filing and posting on the website.”

4. REVIEW OF FINANCIAL REPORTS: Director/Treasurer Bill Opel reviewed, out of order, Item 5.V.B Financial Statements and Independent Auditors’ Report for the Years Ended December 31, 2018 and 2017. He highlighted the staff corrections made on audit report page 1 (Agenda Packet Item 5 – Page 9). He directed the Board’s attention to page 10 (Agenda Packet Item 5 – page 18), and the similarity between the years 2017 and 2018 and he recommended that the Board read the Pension Plan Notes beginning on page 18 (Agenda Packet Item 5 – Page 26). Director Opel reviewed the June 30, 2019, financial reports. He highlighted revenue water sales which were right on budget for the month but still behind on revenue year to date. For Cash Flow, the net increase was nearly \$26,000 positive for the month which brought the District back into positive territory.

It was motioned/seconded/carried unanimously-(Kilburn/Griffith-4/0).

“That the Board approve the financial reports for filing as presented.”

5. GENERAL MANAGER’S REPORT: The General Manager and Board reviewed the report.

II.C. 2020 Budget: Preliminary budget will be presented at the August 20th meeting.

IV. Water Supply Summary: The final statistics for the Watermaster Year will be in the August General Manager’s report. The strategy is to carry over as much water as allowed without losing the rights to it and to provide a cushion in the event of high demand combined with a low rainfall year.

V.A. Water Samples and Test Results: Director Opel asked if the sample results from the lab are a number or only the description <MCL. The Sr. Facilities Operator replied that the results

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are a number. Director Opel inquired if it is possible to determine a trend in nitrate levels. Director Eldridge asked if it possible to add the result numbers to the report. The General Manager said he will review the nitrate results and determine if it is possible to add result numbers to the report.

II.D. Activities/Meetings/Webinars/Conferences: Director Griffith asked about the MWD tour of the Regional Recycled Water Advanced Purification Center. The General Manager stated that the recycled water may be of benefit for the District as a source of aquifer recharge, which is the purpose of the Carson facility. Currently, pipelines are proposed up to the San Gabriel main basin.

6. INFORMATION ITEM: The General Manager stated that the memo in the packet was included as a result of the discussion on CalPERS at the June meeting. Director Opel asked the Board to turn to page 22 of the Financial Audit Report (Agenda Packet Item 5 – page 30) and restated that the auditor had said that CalPERS has never met its target return rate. He added that the proportionate pension liability is \$271,000 per year. The General Manager stated that the amount is not per year; it is the total liability. Director Opel asked if page 9 of the Audit Report (Agenda Packet Item 5 – page 17) includes the pension liability in the balance sheet. The General Manager said yes, it is listed as the net pension liability \$271,329 which is the same amount in the note on page 22 (Agenda Packet Item 5 – page 30). Director Eldridge asked if the liability is only for the District's employees. The General Manager stated the District is liable for the contract employees that retire from the District. Director Opel added that the District also shares in the pool obligations even if there are no past employees or additional employees. The General Manager concurred. The General Manager concluded with the statement that not everyone agrees that CalPERS is in peril and will fail. There are differences of opinion on CalPERS stability.

7. DIRECTOR REPORTS AND/OR COMMENTS: There were no reports and no comments.

8. CALENDAR: The next regular meeting will be at 3:00 p.m. on Tuesday, August 20, 2019.

10. ADJOURNMENT: The meeting was adjourned at 3:52 p.m.

Respectfully submitted by,



Bernadette C. Allen
Board Secretary